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The future of America

Chicago

1879

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# FUTURE OF AMERICA

AN ADDRESS

TO THE

PEOPLE OF THE UNITED STATES.

By SAMUEL HOARD.

CHICAGO:

DONNELLEY, GASSETTE & LOYD, PRINTERS AND ENGRAVERS.

1879.

## THE FUTURE OF OUR COUNTRY.

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For many years past the future of my country and my race, and the prosperity and happiness of both, have been problems on which I have bestowed much thought. Without attempting a recondite examination of past events in the world's history, and presenting my own views as being entitled to approval, I shall, in this article, as far as possible, confine myself to facts as they exist and have existed; avoiding purely controversial topics, and seeking only the teachings of truth and justice as my guide. I am standing nearly on the extreme verge of human existence, without a thought of ever mingling in political or mere partisan controversies, and therefore what I may say will be divested of even a suspicion that I am actuated by personal or selfish motives. The constantly changing condition of the human family, so far as social, commercial and financial relations are concerned, has been so much greater within the present century than during the same period in any previous stage of the world's history, that we are justified in the conclusion that future changes will or may occur so much more rapidly than in the past as to astonish the world with the result.

We have for so many centuries been compelled to yield assent to the maxim that "might gives right," and left undecided the question whether "governments are instituted for the benefit of the governed or the governors" that great crimes have been glossed over, millions upon millions of treasures wrongfully wasted, and millions upon millions of lives murderously destroyed, nations overturned, not for the benefit of the governed, but that the governors may feast and fatten upon the products of the toiling, oppressed and down-trodden people. Fawning sycophants have hailed with loud acclaim these wholesale robbers and murderers as "conquering heroes," to whom peans of praise have been sung and honoring plaudits awarded, until justice and right in all national affairs have been set aside as obsolete terms applicable only to those over whom "*might*" has given them dominion. The same "*might*" has created emperors, kings, princes, dukes, earls, lords and nobles, to whom have been assigned estates and autocratic power over the masses that have produced the wealth of which they are robbed, and over whom the same "*might*" holds control with relentless grasp. But the people in all lands are beginning to understand and claim their rights. These can only be secured under a popular government, wisely, justly and properly organized and administered. Events appear to me to be transpiring that may, and I trust will, place our country in a position that will aid in securing this desirable result.

Slavery, that great curse and blot upon our national honor and usefulness, has been removed, and we are taking a prominent position in perfecting the means of improving and increasing the social, commercial and financial interests of the world.

The great advances during the present century, in science, the wonderful improvements in mechanic arts, the use of steam, the wide spread railroad system and telegraphic communications, were either wholly unknown or so imperfectly developed as to be previously of little use. The effect of these combined influences is accomplishing results beyond the anticipations of the most ardent friends of humanity. The labor-saving machinery, which I might more properly denominate the auxiliary workman that toils without weariness, and demands neither food nor raiment in compensation for its services, has been so perfected as to become a principal factor of national prosperity, and an efficient aid in procuring that other factor, *money*, which, unitedly employed, with due regard to the just rights of both labor and capital, will render the nation so employing them the commercial and financial emporium of the world. The improved use of steam on land and water has virtually annihilated three-fourths of the time and space that formerly separated the human race from each other and rendered their inter-communication and exchange of products so much broader that prejudices are being gradually eradicated, and the field of social relations widened to a three-fold greater extent. Railroads that then had no existence have been multiplied till they have reached an extent that would three times encircle the globe. Telegraphic communications and electric powers had not then been made subservient to the will of man. Though Franklin had played with electricity as a child with toys, yet neither an unborn Edison or his compeers had caused it to irradiate the world with beams that almost turn night into day. Now there are more than four hundred and fifty thousand miles of telegraphic lines, and probably as many more miles of wires conveying intelligence of passing events from one region to another a hundred times more rapidly than the rays of light herald forth the change of night and day.

As I have intimated, these events have been accompanied by others, socially and commercially of great magnitude and importance. China for centuries had closed her portals to all other nations of the globe. Japan and many parts of Africa were *terra incognita* to all other sections of the world. The United States at the commencement of the century had a population but little exceeding five millions, its resources were wholly unknown to Europe, and almost equally unknown to ourselves until a later period, when DeTocqueville visited America, and his observant eye and comprehensive mind, with almost prophetic ken, directed European thought to the great future in store for this country. It is true that the great Napoleon, discerning what was required to build up a nation that would ultimately become superior to his great foe, had previously ceded to the United States that section of our country lying west of the Mississippi, which has been the means of furnishing that other great factor of national prosperity, *money*, sometimes denominated capital.

*Capital and labor* are terms of such indefinite import, that those using them should carefully define the meaning in which they are employed. Writers on political economy usually speak of capital and labor as the two great factors of national prosperity, without which it can neither be secured or obtained, and this view is undoubtedly correct. Yet it appears to me equally certain that both may be employed and ruin result from the employment. The world's history, for thousands of years, fully demonstrates this. Labor and capital have been abundantly employed in building navies and fitting out armies to enthrone or dethrone monarchs, to overturn or destroy one nation that another may possess what the one now enjoys. It is not the mere acquisition of money joined to the physical effort that is denominated labor, that renders a nation or people prosperous. Capital, used as a term indicating money, is, it appears to me, wrongly employed. Capital, in its primitive sense, is that by means of which the wants and necessities of mankind are supplied. The warrior's capital is his military skill; the lawyer's, his legal acquirements; the statesman's, his knowledge of national affairs and the capacity to use that knowledge to advantage; the actor's, his histrionic ability; and so of all pursuits in life, and therefore money, when spoken of as capital is not in all respects a true definition of the word. Labor, though the producer and creator of capital, is not always a factor of national prosperity, and neither labor nor money, nor both combined can obtain and secure such prosperity unless both are rightly obtained and employed. Can both be rightfully obtained and employed under any form of government as now organized, except under that of a republican?

It is not my purpose in this article to enter upon a discussion of the causes of the rise and fall of empires; that has been already done by abler writers, and they have shown that great wealth, wrongly acquired, leads to great vices, which ultimately culminate in the reward that great vices merit. In reflecting upon the present condition of the world, its governments and their results, and the changes that have transpired in past ages, it appeared to me, that in the comparatively near future, there would be great and important changes among the nations of the earth, and that the era is already dawning when might will, in some degree at least, yield to the voice of legitimate right. That the supremacy which England has so long enjoyed, commercially and otherwise, must pass from her hands, as it has passed from others to her own is, to my mind, beyond a doubt, and in this view I am confirmed by the expressed opinions of some of her most thoughtful statesmen, as well as by the acts of the ruling powers of the world. On this point I will quote from an article by the Hon. W. E. Gladstone, published in the October number of the *North-American Review*, entitled, "Kin beyond Sea," in which, speaking of America, he says,

"It is she alone who, at a coming time, can, and probably will, wrest from us that commercial supremacy. We have no title, I have no inclination to murmur at the prospect. If she acquires it, she will make the acquisition by the right of the strongest; but, in this

"instance, the strongest means the best. She will probably become "what we are now, the head servant of the great household of the "world, the employer of all employed, because her services will be "the most and the ablest. We have no more title to complain of her "than Venice or Genoa, or Holland has had against us." Further on he says, speaking of the domain of political philosophy, "The "student of the future, in this department, will have much to say in "the way of comparison between American and British institutions. "But there is no parallel in all the world to the case of that prolific "mother who has sent forth her innumerable children over all the "earth to be the founders of half a dozen empires \* \* but "among these children, there is one whose place in the world's eye, "and in history, is superlative, it is the American Republic." And in the same article he says, "While other countries have doubled, or "at most trebled their populations, she has risen during one single "century of freedom, in round numbers, from two millions to forty-five. \* \* \* I suppose the very next census, in the year 1880, "will exhibit her to the world as certainly the wealthiest of all "nations. The huge figures of £1,000,000,000, which may be taken "roundly as the annual income of the United Kingdom, has been "reached at a surprising rate, a rate which may, perhaps, be best "expressed by saying, that if we had started forty or fifty years ago "from zero, at the rate of our recent annual increment, we should "now have reached our present position. But while we have been "advancing with this portentous rapidity, America is passing us by "at a canter. Yet even now the work of searching the soil and "bowels of the territory, and opening out her enterprises throughout "its vast expanse, is in infancy. The England and the America of "the present are probably the two strongest nations of the world; "but there can be no doubt that the daughter, at some no very distant "time, will, whether fairer or less fair, be unquestionably stronger "than the mother." And, I will add, as much stronger as our vast domain, our climatic advantages, our fertile soil, our cotton, cereal, mineral, oil, and other resources, exceed those of the fast-anchored isle. The railroads of the United States already exceed eighty thousand miles, and when the Northern and Southern Pacific are completed, with such laterals as will naturally be constructed before their completion, will reach the great extent of one hundred thousand miles; to these must be added our ocean, lake, river, and canal communications, which give such easy, cheap, and rapid intercourse, as to render our vast resources subservient to and in harmonious co-operation with each other, at the least possible cost.

I have quoted thus largely from the expressed views of this eminent English statesman to show that my opinions in regard to the possible future of America, are not the fancies of a disordered imagination, but the well-grounded convictions of thoughtful men in all parts of the world, as is evinced by the extraordinary and unprecedented attentions bestowed upon Gen. Grant in his recent travels. As a military hero he may merit great attention by those who consider the destruction of human lives more praiseworthy than the saving of them; but, even in this respect, would crowned heads, in

any part of the globe, have condescended to bestow such attentions upon one who was simply a military hero? I think not. The honors bestowed and the attention shown Gen. Grant arise from the position America now occupies among the nations of the earth; and the fact that he has heretofore been the head of the Republic, and possibly may again fill that position, rather than from any extraordinary merits of the individual. In what I shall hereafter say, I shall principally confine my remarks to questions connected with what are termed capital and labor. On both topics, as I have already intimated, it appears to me there are vague, and, in some degree, false conceptions entertained, which it is my desire to remove and, if possible, aid in the formation of more correct views.

In regard to money and its legitimate use, the moment we travel beyond the precincts of barter, which necessarily are confined to neighborhoods, we must of necessity have some universally acknowledged measure of values, which, in all ages, has been denominated *money*, and in its use, "current among merchants," not current among *nations*, for these have narrow limits, but current wherever mercantile traffic extends throughout the world. It is, therefore, pertinent and important to ascertain what is and what is not *money*. McCulloch says: "To constitute money, some commodity must be adopted, possessing certain qualities to entitle it to universal acceptance as the measure of value." 1st. It should be susceptible of divisibility without loss or injury. 2nd. It should admit of being kept for an indefinite period without deterioration. 3rd. It should, by possessing great value in small bulk, be easily transported from place to place. 4th. That one piece of money of the same denomination, should be equal in value to every other piece of money of the same denomination. 5th. That its value should be steady, or as little subject to variation as possible—and I might, perhaps, with propriety add that, when not required for commercial purposes, it should be susceptible of being manufactured into articles pleasing to the eye, or gratifying to the taste, and convertible at pleasure into money. Gold and silver alone possess these requisites, and therefore, alone are the God-given money of the world. There have been temporary exceptions, such as iron, by the Lacedemonians; copper or bronze, by the Romans; shells, furs, beads, etc., by barbarian tribes; but all have been abandoned by civilized communities, as experience demonstrated their impracticability. Diamonds and precious stones are more valuable, taking bulk as the test, but they are not divisible without loss, and a carat of either may be much more valuable than another carat of the same material. Platinum, though susceptible of divisibility without loss, and, possibly, more indestructible than either gold or silver, can not be manufactured into articles of ornament or beauty; and, besides, the All-wise Creator has not seen fit to place it within the reach of man in sufficient quantities to meet man's necessities as money "current among merchants," and, therefore, it has never been so used universally in all ages, though Russia has attempted it. Iron, though convertible into more articles of utility than any other metal, and in some conditions more valuable as to bulk than either gold or silver; still, when

of equal weight is of unequal value, and, in most conditions, too ponderous for universal use as money. In great exigencies, or from less commendable motives, nations have issued substitutes for money, or *fiat currency*, which people have been temporarily compelled to receive as such, though it possessed none of the requisites that constitute money, and was as valueless as the paper, parchment, or leather, on which it was printed, written or stamped, and was only receivable within the narrow limits of the country or nation that issued it—it, in fact, was not “money current among merchants.” Its only value consisted in the ability of the maker to redeem it in gold or silver, containing as many grains of either metal as the laws of the country had determined should constitute the dollar, livre, pound or rouble. That silver is money is evident from the fact that for thousands of years it has been current as such among merchants in all parts of the world; that many nations make it the standard of value in all financial transactions, and the only legal tender in payment of debts. That gold is money is also evident from the same fact, though in a far more limited degree. That gold and silver united are money, is equally assured, from the fact that many nations make both a legal standard, by means of which all contracts are liquidated. That nothing else but gold or silver is money, is beyond controversy, because no civilized community, in any part of the globe, accepts, as the standard of value, any commodity except silver or gold, and because there is no other commodity that possesses the requisites to constitute money. Any contract for the purchase or sale of any specific article, can only be fulfilled by the delivery of the specified article; and the penalty for the non-fulfillment of the contract, is the payment in money of as many dollars as the article was worth at the time the payment became due, and these dollars must contain as many grains of gold or silver as the law requires shall be contained in the specified number of dollars. *Fiat currency*, or even subsidiary coin, can not be used legally or justly in payment; for the one possesses no requisite to constitute it money, and the other has not the required amount of gold or silver to render it equivalent to the number of grains of gold or silver that the number of dollars are required to contain. The amount of gold and silver used as currency is variously estimated, though generally conceded to be about equally divided between the two metals. Some place the amount at four thousand millions, others at six and eight, and one as high as fourteen, but two eminent English statisticians believe it to be about four thousand millions. From a statement made by Dr. Soetbeer, to which I shall hereafter allude, the amount of gold and silver discovered since 1492, is \$14,588,623,007, of which \$6,612,193,087 is gold, and \$7,976,429,920 is silver. How much of silver and gold in all these 387 years has been converted into articles of ornament and use, it would be impossible to say; and how much has been lost by abrasion and beating it into gold and silver leaf, is impossible to determine. It is generally conceded that an absolute loss of five per cent. is sustained by the manufacture of either metal into articles of ornament or use, and the loss on coin by abrasion is variously estimated at from

one-fourth to one-half per cent. annually. From the great amount of silver and gold in use, otherwise than as currency, I feel assured that the estimate of the English writers on this topic, are nearly correct, if not about the actual amount of gold and silver used as a circulating medium. Yet, this amount is scattered among the various nations of the earth, and could not all be transferred at any given time to any financial center to meet accruing interest as it became due, much less, in payment of any part of the principal, and therefore, of necessity, some representative must be used instead of coin; but this representative must be of equal value to coin, or it will not be received.

The indebtedness of the principal nations of the world amounts to over twenty-four thousand millions of dollars; the State, municipal, corporate and individual indebtedness vastly exceeds this sum, so that the interest-paying debt of the world greatly exceeds forty-eight thousand millions of dollars. The rate of interest on this vast amount will probably average over five per cent., but placing it at only four and one half, it would amount annually to \$2,160,000,000, consequently all the silver and gold used as currency, would only be adequate to the payment of the interest alone, for less than two years, and if the mono-metallic basis was adopted, for less than one. And if capitalists should retain the money in their own hands for this short period, there would not be any legitimate money with which business of any kind could be transacted. This simple statement shows the immense power that bond-holders possess over the financial affairs of the world, and accounts very fully for the difficulty that has been experienced during the past few years.

Assuming that what is called money, is the true representative of the value of property of the world, it will at once be seen how vastly that property is over estimated. When all the money is not enough to pay even one-twelfth part of its national, State, municipal and corporate indebtedness, leaving out of view all required for business purposes, and the property it is supposed to represent. It is sometimes said that debts and credits counterbalance each other. While this, in some degree, may be admitted of ordinary business transactions, it can not, so far as national, State, municipal, or even corporate indebtedness is concerned. These are all due to capitalists, who can not be affected beyond the tax that may be assessed against them, and unfortunately for the people, the bond-holders of the United States are the principal creditors, and their bonds are wholly exempted from taxation, consequently this class of citizens have privileges that none other enjoy; yet they are the class that clamor most loudly for a *gold basis*, that their bonds may be doubly valuable, and the property of every other class be recognized at only half its legitimate value.

The attempt to depreciate the relative value of silver by the English government, as well as the demonetizing of it by our own, was not simply to increase the value of the bonds owned by the capitalists of the respective nations, strong as was that influence, but it was also to give those capitalists, particularly the English, the means of safely speculating in that which was as truly money as the

gold with which they operated. It likewise gave the British capitalists the power to derange the financial transactions of the world for their own interest and profit. Estimating the amount of silver used as currency at two thousand millions of dollars, a change of values of one per cent. would amount to twenty millions, and a change to that extent could be made every week, if not every day, without attracting public attention. But when a change of fifteen or twenty per cent. was accomplished and maintained for several years the amount of which the owners of silver have been robbed is very great. It is not, however, to be supposed that the entire two thousand millions of silver have, during these years, passed through their hands, but an amount upon which hundreds of millions of profits have been realized by these capitalists has been drawn from Germany and the United States. No sympathy for Germany can be felt, for she has only disgorged a small part of what she robbed France, but it is far otherwise with regard to the laboring classes of America, whose losses have been so great that they deserve more than ordinary commiseration, especially when it is considered that these losses have been imposed upon them by the very power whose duty it was to protect and shield, rather than aid a foreign power in injuring them for its own advantage.

A much more intelligent appreciation of this monetary question than is now generally entertained, can be formed, when a knowledge of the amount of the respective metals discovered and brought into use in the past is known. Dr. Soetbeer, to whom I have before referred, and whose estimates are as reliable as any that can be found, in regard to the production of these metals, assumes as a starting point the year 1492, at which period Mr. Jacobs estimates the silver and gold used as currency at \$165,000,000. From this period during the reign of Edward IV to the year 1600, in the 43d year of Elizabeth's reign, the gold product for 108 years was \$504,693,248, and the silver \$979,024,990. The first 52 years of this period the gold product greatly exceeded the silver, and during the last 56 years the silver vastly exceeded the gold, making the relative product of the whole term as before stated. From 1601 to 1700 the relative product was, of gold \$606,314,580, and of silver \$1,596,407,750. From 1701 to 1800 the product of gold was \$1,262,806,400, and of silver \$2,445,374,337, and from 1801 to 1878 the gold product amounted to \$4,278,033,135, while the silver was only \$2,069,306,913, making the total product of gold from 1492 to 1878 \$6,612,193,087, and the silver \$7,976,429,920, forming a grand total of \$14,588,623,007. In the synoptical view as given by Dr. Soetbeer, which has fallen under my observation, he does not give the basis upon which the amount of silver and gold are estimated relatively to each other. From 1492 to 1600 the relative value never varied far from 11 to 1, and the inference is legitimate that such was the ratio by which the estimate was made. In 1604, in the second year of James I's reign the relative value was 12 $\frac{1}{4}$  to 1. In 1626, in the second year of Charles I's reign, it was 13 $\frac{1}{4}$  to 1. In 1666, in the eighteenth year of Charles II's reign, it was 14 $\frac{1}{2}$  to 1, and in 1717, in the third year of George I's reign, it was 15 $\frac{1}{2}$  to 1, and in 1816, when England

adopted the gold standard, in the fifty-sixth year of George III's reign, it was 14 $\frac{1}{2}$  to 1. From 1801 to 1820 the annual product of silver was about 3 to 1 of gold, and from that time to 1840 the annual product of silver was fully equal to 2 to 1; yet in all that period the relative value of silver never declined below the Latin standard of 15 $\frac{1}{2}$  to 1. From 1840 to 1860 the gold product began to exceed that of silver, until the amount of the two metals has now reached nearly an equality. From 1851 to 1860 the gold product was \$1,349,073,070, while that of silver was but \$383,968,130. From 1861 to 1870 the gold produced was \$1,252,847,420, and the silver only \$523,125,370. From 1871 to 1878 the gold was \$896,653,024, while the silver has been \$659,200,000. If the ratio of production of the precious metals should continue for the next twelve years the same as from 1851 to 1860 the relative amount of each in the world would be very nearly equal; and if from 1492 to 1600 the relative value was about 11 to 1, when the relative product of silver was much greater than at present, why may we not rationally infer that the ratio of valuation will be the same, especially as that was very nearly the relative value under the Jewish rule and in previous ages?

It will be borne in mind that it was the discovery of the silver mines in America that deranged values in the 17th century, and that the discovery of gold about the middle of the present century threatened a similar derangement; indeed an eminent French writer, M. Chevalier, in 1855, expressed great fears that France was in danger of such derangement in her financial affairs from the excessive production of American gold, and it is more than probable that the fear of depreciation in the value of gold bonds owned by European capitalists has exerted great influence in the attempt to establish a mono-metallic currency throughout the world. In regard to the views entertained by French and other writers, respecting the use of both precious metals as currency, M. Wolowski says, "To adopt one metal, gold, to the exclusion of the other, it is not merely as if they closed all existing mines of silver, but as if they suppressed in this regard the labor of all ages. The sum total of the precious metals is reckoned at fifty millions, one half gold and one half silver. If by a stroke of the pen they suppress one of these metals they double the demand of the other metal to the ruin of all debtors." And an authority of perhaps greater merit, the French Rothschild, says, "The actual state of things, that is to say the simultaneous employment of the two precious metals, is satisfactory and gives rise to no complaints. What is more needed in commerce is facility in its operation, and to-day it employs, according to its needs, sometimes gold and sometimes silver, and the partial displacement of silver by gold, which has taken place in these later times, has been effected without inconvenience. They now demand that silver should be demonetized, as fifteen years ago they demanded that gold should be. The French government wisely refused to demonetize gold, and it will be equally wise to refuse to demonetize silver now. In fact, whether gold or silver dominates for the time being, it is always true that the two metals concur together in forming the monetary circulation of the world,



"and it is the general mass of the two metals combined which serves as the measure of value of things. In countries with the double standard, the principal circulation will always be established of that metal which is the more abundant. It is scarcely twenty years ago that silver was the principal element in our transactions. Since the discoveries of the California and Australian mines it is gold which has taken its place. No person can foresee what the future has in store for us, or can predict that the proportion in which the two metals are now produced may not be changed in favor of silver. It appears to me that there are real advantages in maintaining silver in circulation, and none in its suppression, since it is now actually a part of the circulation. I should regret the demonetization of silver in its relations to our internal circulation, our commercial intercourse with other countries, and the always uncertain eventualities of the future. But I should regret it even more if our example should be followed by other nations, for that suppression of silver would amount to a veritable destruction of values without any compensation."

If such are the views of the great French financier, whose firm controls, in a great degree, the monetary operations of the world, and they were such as the interests of France required her to adopt, how much more potent ought they to be in regulating the financial action of America whose interests are so much greater that silver should be recognized as money by the world? I have fully shown that if an attempt to change the relative value between gold and silver could be justifiable it was during the seventeenth and eighteenth centuries, when the product of silver so vastly exceeded that of gold, but in all that period of two hundred years the estimated relative value never extended beyond that of  $15\frac{1}{2}$  to 1, and that the Latin standard of  $15\frac{1}{2}$  to 1 placed a lower estimate upon the relative value of silver than was ever made by the English government from its organization up to 1816, when it adopted the gold standard. In further confirmation that our estimate of 16 to 1 was lower than that entertained by any European nation, it will only be necessary to add that to save silver as a circulating medium in our country, and prevent it from being wholly withdrawn, leaving gold only as our metallic currency, an act was passed in 1853 authorizing the issue of a debased coin, denominated subsidiary silver coin, which contained only about nine-tenths as much silver as a coin bearing the denomination of half-dollar was by law required to contain; and to this debased coin the national certificate was affixed that it was fifty cents, when by the established laws of the land it was but forty-five,—thus fixing the brand of dishonor upon our national character, upon the double basis of falsehood and dishonesty, at least so far as moneyed transactions are concerned. By the act of Congress passed January 18, 1837, "establishing a mint and regulating the coins of the United States," it is provided by Sec. 9, that of the silver coins the dollar shall be of the weight of 412½ grains, the half dollar of the weight of 206¼ grains, and by Sec. 12 of the same act it is enacted that the cent shall be considered of the value of one hundredth part of a dollar. By this act there is no

other coin designated as a dollar but that of silver, and I am not aware that there is any legitimate dollar but a silver one, composed as before stated, of 412½ grains, or any half dollar but one of silver of 206¼ grains; consequently the use of the term "an eighty-five cent dollar" is as far from a correct use of language as it would be to say a white blackbird, or an eighteen-shilling pound. I propose to add some further remarks as to what is and what is not money or, in other words, on the subject of *Fiat Currency*.

*Fiat Money* may appropriately be denominated that which is made so by decree or command, not in consequence of its intrinsic worth, but because the authority that issued it has the power to enforce it, and its operation will extend just as far and no farther than that power is supreme. At different periods in the world's history different nations have resorted to the expediency of issuing *Fiat currency*, but uniformly attended with a like result. Persia, Russia, France, our own country in its struggle for freedom, and the Confederate States in the late Rebellion have all attempted its use as money, but it has only proved to be worth what its makers could pay for it in gold or silver—and its use never extended beyond the limits of the power that issued it—conclusively showing that it does not possess any of the attributes of "money current among merchants." The issue of *Fiat currency* by any people, to any considerable extent, or indeed of any currency that is not the true representative of gold or silver, has, and always will be injurious to such people, because its uniform tendency is to derange values and produce fluctuations in prices detrimental to all classes, except perhaps the gambling and stock-jobbing fraternity. All writers on political economy consider fluctuations in value one of the greatest evils attending financial and commercial transactions, and, as I have stated, McCulloch says one of the requisites to constitute money is that its value should be steady and as little liable to variation as possible. During the late internecine war the fiat currency increased the circulating medium of the United States about four fold, and prices of all commodities advanced in nearly the same ratio. A large portion of the producing classes was withdrawn from their usual vocation to compose the contending armies, and to supply these wants, not only the utmost energies of the remaining population was called forth, but that of other countries with which we had commercial relations, was excited to increased activity by the sudden demand for the supply of the means to carry on a war of such great magnitude—thus giving to all producing classes a much greater remuneration for their labors than under ordinary circumstances they would have received, but for which America alone must pay the penalty. We were compelled to contract a national debt of nearly three thousand millions, at a sacrifice so startling as to render it almost incredulous. During the years from 1862 to 1866 the debt was increased from \$524,176,412.13 to \$2,773,236,173.69, an increase in five years of \$2,249,059,761.36. The average coin value of this indebtedness was 68½, and the actual amount paid was \$1,533,858,741.38; but the European purchasers paid in old useless muskets and similar articles of war, at exorbitant prices, and other war materials at such cost as Euro-

*A gold dollar can be made by act of  
Mar. 3' 1849*

pean cupidity demanded, as well as by Americans for necessities furnished at prices as greatly beyond their true value as fiat currency and the peculiar condition of the country made them nominally worth, and those who supplied them are the only individuals who have ultimately profited by the increased values resulting from the issue of Fiat currency. The loss to the nation is the difference between the amount of the debt incurred and the coin value of the cost, which is \$71,520,101.99, and the interest on that amount for fifteen years which would be \$64,368,041.65. These bond-holders have received not only the interest on the amount invested at six per cent., but also on the whole amount of \$2,249,059,761.36, making the interest on the loan at the rate of about nine per cent. for about fifteen years. I do not make these estimates, however, to show that the bond-holders are not legally entitled to the full amount called for in the bonds in coin, but to show the loss sustained by the nation in consequence of increased values caused by the use of Fiat currency, and the injustice of the demand to have their debts paid in *Gold* instead of coin. It is, by some, alleged that the national debt should be paid at the coin value of the debt when contracted, but the debt was contracted for a given number of dollars, and not for the return of the articles sold or for payment of an amount equal to coin value of the articles when sold. Dollars are only known as representing a specified number of grains of gold or silver, and can only be paid in gold and silver according to the legal standard of value.

The number of bankruptcies that have occurred from 1866 to 1878, and their aggregate amount is mainly attributable to Fiat currency operations. The number during this period was 65,622, and the liabilities \$1,747,522,129, which is fully double that of any previous number of years, both in number and amount, and mainly attributable to the speculating and gambling operations so prevalent during that period. The increased State, city, and county indebtedness is not the least among the evils resulting from a fluctuating currency. The people of America owe a debt of gratitude to my fellow-townsmen, Robert P. Porter, Esq., for his able and comprehensive article, entitled, "Local governments at home and abroad," published in the July number of the *Princeton Review*. By this article it will be seen that the local indebtedness in eleven States increased from \$286,179,160 in 1870 to \$546,289,528 in 1878, and that the municipal indebtedness of 130 of the principal cities increased from \$221,312,009 in 1866 to \$644,378,663 in 1876, making an increased indebtedness in these cities and States of \$683,177,022, which at six per cent. interest places an annual burden upon the producing classes of these States and cities of \$44,990,062, beyond that which rested upon them in 1866 and 1870. I will allude to one other indebtedness which has increased very largely within the last fifteen years, viz.: that incurred in the construction of railroads. In 1862 there were in operation 32,120 miles, and in 1875, 74,374. The average cost of construction and equipment of completed roads is over \$60,000 per mile. The increased number of miles from 1862 to 1874 was 42,254, which at \$60,000 per mile would make \$2,535,240,000. These roads

could now be built and equipped at about half what they cost when they were put in operation, and the loss is therefore fully \$1,000,000,000; but this injury is not confined simply to the loss of the money, for the managers of the roads will strive to save themselves by charging the people higher freight and fare for years to come than would be necessary had the roads been built and equipped at such cost as now would be required.

Passing over, without attempting to estimate the amount of loss arising from all the stock-jobbing and gambling operations that have so disgraced us as a people, and the official frauds, peculations, and thefts that have been resorted to, to enable speculators to engage in and prosecute their vile pursuits, I will only mention one other loss, not as large in amount, but vastly more lamentable in its results, because it affected so seriously the widows, orphans, and struggling poor who were striving to provide for a home for their old age or the means of supplying their wants in hours of sickness and suffering—I refer to losses sustained by those who had placed their hard earnings in misallied savings banks. While it would not be right to stigmatize all interested in organizing these institutions as robbers, yet undoubtedly there were some who resorted to this expedient under the influence of the speculative mania that so widely prevailed among all classes. Still the losses, in all instances, are traceable to the over estimates in value arising from the issue of *Fiat currency*. These savings banks loaned their money on property which was supposed to afford ample security, and yet its over-estimated value was so great that, in many cases, it would not sell for half the amount loaned upon it, and consequently, there will be seen, another great evil resulting from the issue of *Fiat currency*.

In speaking of capital and labor I have heretofore said that I considered that the terms were often vaguely used and sometimes misapplied. Though both are required to obtain and secure national prosperity, yet much more depends upon the mode of obtaining and the right use when obtained than in the acquisition of them. If labor is supposed to consist in a mere physical effort, then the ass or the Chimpanzee would be worthy of a higher reward than the man whose exertions were accompanied by a wisely conceived plan and an intelligently directed effort. The labor of a burglar or robber and the craft employed in accomplishing his purpose is often greater than that of the honest artisan, but is it labor or intelligence rightly employed? The acquisition of great wealth and power by any nation may be commendable, but if that wealth and power are employed in building up large navies and withdrawing men from the productive pursuits of life to murder their fellow-men, and rob and destroy the property of other nations, the question may most pertinently be asked, is that labor and capital rightly employed?

The maxim, that national debts are national blessings, has been so long repeated, that probably without much thought it is conceded to have been founded in truth. But there never was a more fallacious sentiment uttered by man. So far as debts are concerned, the same obligations rest upon nations as upon individuals, and the command "*to owe no man any thing, but to love one another*"—is

equally imperative upon all, and its disobedience will in all cases be found alike injurious. The amount of over two thousand millions of dollars that are annually required to be paid to capitalists, as interest on loans, is a tax to just that amount upon the producing classes without any adequate or just return; but is really a link in the chain that forever holds the "borrower" more firmly "a slave to the lender." For a moment consider the amount of good that would result to the world if over two thousand millions of dollars were annually expended in elevating the condition of the producing classes rather than in depressing them. I am as strongly opposed to all socialistic movements of every description as any man can be, but I am equally opposed to the continuance of any system that drives men to desperation that they may save their families from starvation. I rejoice to see my country rising to a nobler inspiration: than either England or France manifested when their debts became burdensome and oppressive; the one virtually repudiated two-thirds of her debt, and the other  $\frac{2}{3}$  of it, though those debts were for coin loaned, while ours was for war materials furnished at double or treble their true value. But I am grieved, that any American can be found, so lost to a true sense of justice and right, as to join the greedy plutocrats of the old world in demanding in payment of their debts twice what the terms of their contract entitle them to ask, and insist with such pertinacity on a compliance with their demand, and above all that the powers of our government should be devoted to the accomplishment of such unhallowed purposes.

I have sought in vain for a justifiable reason for the attempted establishment of a mono-metallic circulating medium, but have never seen one given, nor do I believe that one exists; and the demonetizing of silver, by an American Congress is, as appears to me, the most unjustifiable act that was ever adopted by a legislative body. I think that I have conclusively shown that a gold basis could never be permanently established, or meet the necessities of the commercial and financial wants of the world, and that it has only been attempted to gratify the unjust and inordinate greed of the bond-holders to render their bonds doubly valuable and more effectually control the producing classes of the world. In regard to demonetizing silver I desire to add some thoughts that appear to me to deserve the consideration of the American people. The evils resulting from that act are so great and numerous that I shall not attempt to unfold but a few that I deem most worthy of disapproval. In the first place it deprived the people of one half the means of paying the public debt, and rendered that debt doubly difficult of payment, and doubly odious and oppressive. In the second place it showed that Congress was influenced, either wrongfully or otherwise, to yield to the money power, the ability to oppress the producing classes and tax-paying population as well as the business portion of the community, for the benefit solely of capitalists; and also, by the passage of the act, to legislate in favor of one class to the injury of another, and, beyond other considerations, to do these great wrongs contrary to and in violation of their official obligations.

In confirmation of these views I will refer to Article 5, Sec. 8, of the constitution, which, in defining the powers of Congress, says it shall have power "to coin money, regulate the value thereof, and of foreign coin." This is all the power imparted to Congress in regard to money, except in Sec. 9, Article 6, it is provided "that no money shall be drawn from the treasury but in consequence of an appropriation made by law," and in Sec. 10, Article 1, it is provided that "no State shall coin money, emit bills of credit, or make anything but gold and silver a tender in payment of debts." By the examination of these provisions it will be seen the extent of power imparted by the constitution to Congress. First, it has the power to coin money. *Coining* is simply stamping the metals, which are already money, and forming them into convenient shape for circulation,—it adds nothing to, nor detracts anything from, its intrinsic worth, and is merely a government certificate that it contains the number of grains of the specific metal that the law declares shall constitute a dime, dollar, or eagle, and their parts. The gold or silver was just as valuable before as after coining, and the simple power of coining money was all that Congress could exercise. It had no power to make or unmake money. If it could unmake silver as money it could unmake gold, the power to abrogate one necessarily carried with it the power to abrogate both, and consequently it would give Congress "the power of impairing the obligation of contracts," which is expressly forbidden, for without legalized money no contract could be enforced, and gold and silver constitute the only legalized money known by our laws, and section ten of the act of Jan. 18, 1837, says that "for all sums whatsoever, the eagle shall be a legal tender of payment for ten dollars, the half eagle for five dollars, and the quarter eagle for two and a half dollars." The national stamp does not make the dime, dollar, or eagle, but simply indicates the name of the coin which the law requires shall contain a specific number of grains of the metal that shall be known as a dime, dollar, or eagle, which terms are used for convenience in commercial transactions, and to save dealers the necessity of testing both the weight and quality of the money used in their daily transactions. If these premises are well founded, then there can be no doubt that the demonetizing of silver was not only a great wrong, but was also an unconstitutional act, and that all who participated in the movement acted without a due regard to their official obligations, or, at least, a proper investigation of the subject. But even if the act is not unconstitutional the spirit of all just laws is violated by it, for all classes of citizens have equal rights under all well regulated and rightly organized governments.

There are at this time two important classes of laborers engaged in developing the resources of our country, each contributing about equally in the result of their labors to that development, and their united products amounting to about one hundred millions annually. By demonetizing silver those employed in its production suffered a loss while it remained demonetized, and even now, by the strange course pursued by Secretary Sherman, continue to suffer a loss of nearly or quite fifteen per cent. upon their

productions. From 1873 to the present time there has been an annual product of about forty-five millions. Assuming that to be the true amount there have been two hundred and seventy millions of silver produced in the last six years, and fifteen per cent. on that amount would be forty millions five hundred thousand dollars, of which one class has been robbed for the benefit of another. But the injury does not end here, for to the same extent, or nearly so, that one class has been injured the other has been benefited, for it has operated as a bounty to the producers of gold to whatever extent gold as money has been valued above silver as money. If the woolen manufacturers had been wronged in this manner, and those of cotton had had a bounty given them to a like extent, there would have arisen such universal condemnation of Congress that every one who had been instrumental in consummating such an act would have justly been deposed from official position and forever precluded from it in future.

There is one point partially connected with this silver question that I have not seen alluded to in the discussion of the subject, and yet it is one that, in my estimation, requires to be properly understood, and its great wrong condemned. I allude to the issue of subsidiary silver coin for the redemption of fractional currency. There was in circulation, of this currency, or supposed to be, about forty millions. If one portion of the national indebtedness is more sacred than another it is that which is in the hands of the laboring, producing classes. That class had already, by the destruction of a considerable part of this currency, lost, as is computed, about nine millions. While the bond-holders' indebtedness was so strenuously sought to be paid in gold above its true value, the payment to the laboring classes was made in a debased silver coin, about ten per cent. below its true value, coupled with the odious provision that if he chanced to owe a debt of over five dollars he must bear an additional loss of ten per cent. to pay an honest debt. Could anything possibly be more unjust?

I have heretofore alluded to the views of that distinguished statesman, Hon. Mr. Gladstone, in regard to the probability that at no greatly remote period, the supremacy that England has so long enjoyed, commercially and financially, will pass from that nation to our own; and the recent unprecedented flow of coin to America in consequence of the convulsions in trade and the short crops in Europe, give possibility to the impression that the event may transpire much sooner than was anticipated, even by those who so clearly perceived it in the more remote future. It therefore appears to me to be the duty of those American statesmen, to whom the interests of our country are intrusted, to take all necessary steps to place the country in a proper position to meet the great responsibilities that such a contingency demands. In doing so the errors of the past should, as far as possible, be avoided, and the measures that experience has proved to be efficacious, adopted. China, Persia, France, Russia, the United States in their struggle for freedom, and the Confederacy in the late Rebellion, have all shown that a *Fiat currency* leads to fluctuations and absolute losses of such magnitude that it

should be shunned as among the greatest evils that attend the efforts to establish a useful monetary system.

The Emperor Won-Ty, who reigned in China about two thousand years since, had the honor, if honor it may be termed, of issuing the first fiat currency, or paper money, of which we have any record, and that was a war measure to carry on a campaign in which he was then engaged. But the use of this currency was of short duration, and nothing further is heard of paper money for nearly a thousand years. Then merchants who made deposits of the precious metals received certificates therefor, which could be used in commercial and other transactions, but failing to provide for their redemption they soon depreciated in value and became worthless as *Fiat currency*. About this period near the close of the 12th century, the Italian Republic, in co-operation with the Bank of Venice, adopted a plan in some respects similar to that of the Emperor of China, making the certificates interest-bearing, and always retaining the coin for the redemption, and also promptly paying the accruing interest. The Republic received the coins at their intrinsic value, and gave certificates therefor, bearing interest at the rate of four per cent. These certificates were recorded in books authenticated by the government, and made evidences of the amount of debt belonging to each subscriber—the interest being promptly paid by the government into the office and drawn out by those entitled to receive it. The capital was transferable with facility, and the right of receiving interest was bought up and sold constantly. This system of loans to the government soon became a medium of payment in commercial transactions, and was found so valuable and economical that a decree was passed, after a trial of two centuries, that all bills of exchange, either domestic or foreign, payable in Venice should be paid in the bank, unless otherwise directed. Those paying debts carried money to the bank, receiving credit on the books therefor, and creditors received payment in bank by a similar transfer, and parties changed their positions without any actual payment of money. These certificates bearing interest, and given for coin of full weight, were more valuable than coin in general circulation, because, in many and most instances, it had lost a part of its intrinsic value by abrasion, sweating, and clipping, and because they could be more safely and cheaply transferred than coin, in payment of debts, or for other purposes. Venice was then the chief commercial emporium of Europe, as England has been of the world for the present century, and the wealth of nations flowed to her coffers as to those of England, and prospectively to America, and therefore it becomes the more important that a stable currency, of sufficient magnitude, should be provided that will meet all the commercial and financial demands that may required at our hands.

The Venetian Republic, profiting by the errors in the plan of the Emperor of China, adopted one by means of which was obtained an unfluctuating currency for more than four hundred years, and it appears to me that, by a somewhat similar process, we might secure the same result. If a law should be passed authorizing the deposit of coin in the United States Treasury, for which certificates should

be given, bearing interest at the rate of three per cent., redeemable in like coin on demand, and convertible into bonds bearing the same rate of interest at the option of the holder, these certificates would be more valuable than coin because, while held, they would bear interest and would be sought wherever our commercial relations extended, because they could be more safely and easily transferred, and would answer all the purposes of coin where payments were required. As an encouragement to the laboring classes to adopt habits of industry and economy these certificates should be brought within the reach of all, and obtainable for small amounts at every post-office where money orders are issued. The losses sustained by these classes, through the failure of savings banks, have, to some extent, lessened the disposition to practice these cardinal virtues, but every effort should be made to revive them at the earliest possible period. If a book could be placed in the hands of every depositor of a sum of one dollar or over and under five dollars, the desire not drawing interest until they amounted to five dollars, to make it to draw interest would naturally create the disposition to make it five dollars, and when that amount was reached the book account should be cancelled and an interest-bearing certificate issued. These certificates should, at the option of the depositor, be convertible into bonds bearing three per cent. interest, and redeemable at such times as public interest dictated. There is a widely extended practice of giving birthday presents, of worthless trinkets, to children, which might be amended by bestowing, instead, one of these certificates, which would superinduce a general disposition to form habits of the utmost importance in future life. The effect of issuing these certificates would be most salutary and tend to create habits in all classes that would lead to prosperity as a nation. It would ultimately, and at an early period, reduce the interest on the national debt to three instead of four or a higher rate of interest; and as the rate of interest on the national debt was decreased, capitalists would be induced to invest their money in mechanical and manufacturing enterprises at a less rate of interest than they have heretofore been willing to accept. One of the great impediments that our manufacturers have encountered in the past, in their efforts to compete with other nations, has been the high rate of interest that capital commanded. As the rate of interest on our national indebtedness has been so materially reduced, this impediment has, to a great extent, been removed.

If the plan, I have alluded to, should be adopted and an unfluctuating circulating medium secured, the tendency will be to gradually withdraw a large amount of capital now employed in the immoral practices of stock-jobbing and ring speculations and diverting it to useful channels. Fluctuations in the circulating medium necessarily beget fluctuations in prices of commodities and render it difficult for all classes to form correct and reliable estimates of the relative value of labor or its products. But when values are stable and all things are estimated according to their real worth they soon cease to be sought for speculative purposes, and are bought

and sold at their true worth. That fluctuations in the price of commodities, will to some extent, always exist there can be no doubt, but these arise from over production, or failure to produce enough to meet the wants and necessities of the people, and are generally attributable to causes over which man has no control. The stock-jobbing and ring speculations however, by which the Vanderbilts and Goulds and their class realize millions in a day, do not result from any similar cause. The stocks bought and sold are intrinsically worth the same, before as after the transfer. Not a cent is added to their true value by the operation; some one loses all that another makes. The amount of money employed in these transactions is very great, and is diverted from a useful purpose to one that is morally injurious. If it is not stealing, it is nearly allied to it, for it results in taking one man's money from him and giving it to another without any adequate or just compensation. For the supremacy which England has so long enjoyed, financially and commercially she is indebted to her Watts and Arkwrights, more, a hundred times more, than to all the kings and queens from Alfred the most worthy to Victoria the most virtuous. These kings and queens have been impediments, rather than aids, for they have largely consumed the products of labor without any adequate return for what they have received; and have been the procuring cause of all the wars and the destruction of lives and property, that these wars have produced and the immense debts that now weigh so heavily upon the nation. America has her Watts, and Arkwrights, in profusion, but we have neither kings, queens, lords, dukes, nor any titled nobility, by which classes are formed to feast and fatten upon the earnings of the toiling millions, nor can we ever have as a nation while our glorious constitution and bill of rights remain unimpaired.

It is sometimes asserted that the present owners of bonds do not occupy the position of those to whom the bonds were originally issued, and that, as innocent holders, they have superior rights. To me it appears these views are incorrect. The facts in regard to their issue were fully known to all the world and those who purchase them now are as well informed on the subject as the original owner—and being so informed they have no superior rights to those enjoyed by the person to whom they were issued. They know however that the bonds were given for a specific number of dollars, which the parties recognized as the value of the articles for which the bonds were given and the contract can only be fulfilled by the payment in accordance with its terms, and having full confidence in the ability and disposition of the government to fulfill its agreement, the bonds are eagerly sought as the safest investment that can be made of their money.

There is one fact connected with the propriety of adopting a gold basis as the circulating medium, which to me is perfectly inexplicable. There are men in whose honesty and judgment I have implicit confidence, and to whose judgment I should usually defer, who think that a mono-metallic currency of gold is that which should be adopted. It appears to me that I have fully shown that

both gold and silver are money; that they have been so received in all ages; that all values are based on this fact; that all contracts for the payment of debts, in all parts of the world, can only be fulfilled by the payment of as many grains of gold or silver as the laws of the country require to constitute a dollar, franc, pound, rouble or ducat, and not otherwise, unless specifically provided; that there is not enough gold and silver combined to supply the financial necessities of the world, and that if a mono-metallic basis was adopted, it would double the value of the one so adopted, and render the other a commodity, subject to constant changes in value, benefiting the speculator, but injuring all other classes; that it would necessitate the constant issue of a paper circulation, that could not be based on a metallic basis, and consequently one subject to fluctuations, which should be avoided as far as possible, according to Mr. McCulloch's views of what constitutes money.

While England supplied various nations with manufactures of her own fabric, she had the power to adopt a gold standard, but as soon as she ceased the supply of those fabrics, the precious metals began to be estimated according to their intrinsic worth in other nations, where both were used as money, or where silver constituted the legal tender currency. Silver is mainly an American product, and it is peculiarly the interest of the American people that it should be estimated according to its true relative intrinsic worth. I have heretofore shown how much one important class of our American people has been, and is still, injured by the attempt to establish a gold standard, but if silver should continue to be under-estimated by European influence, and for European interest, the entire nation would be injured as long as such relative value continued the basis by which the precious metals were estimated.

It is considered by some that the present great flow of coin to America will prove as disastrous to this country, as did the sudden introduction of the thousand millions which Germany received from France, but I think that those who entertain such views, have not bestowed as much thought upon the subject as they should to enable them to form a correct judgment. This sudden introduction of so vast an amount as a thousand millions into Germany, was more like the bursting of an impending surcharged cloud, or the breaking of an embankment, that suddenly let forth an overwhelming flood, sweeping away all within its reach; but the gradual flow of coin to this country, in such amounts as are now arriving, together with that obtained from our own mines, is like the constantly flowing stream that irrigates and benefits all that would otherwise dry and wither, and fail to bring forth its hundred fold. Its only effect will be to enable America, perhaps at an earlier period than otherwise, in establishing an unfluctuating currency, founded upon a bi-metallic basis, that will remain secure as long as this country shall occupy the position which now appears her destiny.

In speaking of England it is far from my purpose to say aught disparaging of her people. It would be as base to do so as to

defame the reputation, wrongfully, of those to whom we owe our existence. Among her offspring there are many of the noblest and purest that ever trod the earth's broad surface, with whom we could proudly claim affinity. She had had her Wilberforces and her Hampdens, her Bacons and her Hamiltons, her Miltons and her Shakespeares, her Wrens, her Watts and her Arkwrights, her Carys and Bunyans, whose steps have been followed by her Whitfields, her Summerfields, her Hills, and her Spurgeons, and a host of others worthy of all commendation. She has, indeed, as a nation, advanced one step towards a mitigation of the great evils of a purely monarchical government, by securing her glorious magna charta, but she halted in her progress toward obtaining a full recognition of the rights of the governed; but this progress in past ages gives hope that, at no remote day, the equal rights of all will be recognized, and that each will stand up as the peer of his fellow man, despite the now titled nobility that often show the degraded man, disgracing the title he so falsely bears, and to whom the more worthy are compelled to yield reverence. But it is in condemnation of the government as now organized, and with the course it all ages arrayed in that Might that has enabled it, for centuries, to trample upon the right of all over whom she had control, that I complain. She drove forth the purest of her children, like an unnatural mother, from homes to the wilds of America because they desired to follow the promptings of an enlightened conscience. She sent forth her armies and her navies to destroy and murder these unoffending people, because they refused to contribute to the support of a nation that ruled them wrongfully; and would not allow them a voice in making the laws by which they were to be governed. She imposed that great curse of Slavery on a people on whose just rights she had thus trampled, and afterwards reproached them for the existence of an evil that her own cupidity had originated—an evil the suppression of which has been obtained by the loss of hundreds of thousands of lives, the noblest and best of the land, and the waste of thousands of millions of the hard earned wealth of the toiling people, that will require generations to repay; and this war, while so afflictive and mournful in its progress, has entailed evils of such magnitude and so pervading that it would require a more graphic pen than I can wield to portray them. But the wrongs that we have suffered from her government have been meted out to all over whom her *Might* has given her control. The opium traffic which she imposed upon China, by which her people have been debased, enervated, and, to some extent, brutalized, was an act by a so-called Christian nation, that it might realize, as a Japanese writer of merit estimates, sixty millions annually!! That same Japanese writer, Matsuama Makoto, holds up to view the course pursued by the English government in regard to Japan, in a light that should cause the blush of shame to mantle the cheek of every upright Englishman, and I commend his article, published in the November and December numbers of the *North American Review*, to every thoughtful mind. Not only does England persist in enforcing stipulations in

regard to commerce, that Japan had been compelled to adopt, which are so injurious in their operation as to threaten the prosperity, if not the national existence, of this empire, now struggling for recognition among the nations of the earth which for so many ages she denied them. The course that England pursued in the *long ago*, when desirous of securing a maritime superiority, in destroying the Danish fleet at the battle of Copenhagen, stands in such striking contrast to that of the Grecian Republic that it deserves to be mentioned as showing the difference between monarchical and republican governments. On a certain day, Themistocles, who was not over-scrupulous in the choice of his measures, declared in a full assembly of the people that he had planned a very important design, but that he could not communicate it to the people because, in order to insure success, it was necessary that it should be carried on with the greatest secrecy. He thereupon desired they would appoint a person to whom he could explain himself upon the matter. Aristides was unanimously pitched upon by the whole assembly, and they referred themselves entirely to his opinion of the affair. Themistocles therefore, having taken him aside, told him the design he had conceived was to burn the fleet belonging to the rest of the Grecian States, which then lay in a neighboring port, and that by this means Athens would certainly become mistress of all Greece. Aristides thereupon returned to the assembly and only declared to them, that indeed nothing could be more advantageous to the commonwealth than Themistocles' project, but that, at the same time, nothing could be more unjust. All the people unanimously ordained that Themistocles should entirely desist from his project.

The history of the world has never shown that monarchical governments have acted upon principles of right and justice where their own interests could be advanced by disregarding their voice.

The course pursued by the present administration in refusing to listen to the voice of justice and the interests of the people on the monetary question, is the only barrier that can possibly be presented to prevent an overwhelming victory to the Republican party. It is the all important question for the American nation to decide at this peculiar crisis in our history, and should never have been made a partisan one. Incomprehensible as it appears to me as can be the reasonings of those who honestly believe that a gold basis is that upon which the commercial transactions of the world should be established, yet I am fully convinced that honest and patriotic men entertain the belief, and therefore I would not impute dishonesty of purpose to any one, nor too strongly condemn the persistent manner pursued by the President and Secretary of the Treasury on this question, but the already expressed voice of the people on it render it certain that should Secretary Sherman be nominated for the presidency at the ensuing election, defeat would be the result, unless, like his predecessor, he should candidly and fully acknowledge a change in his views and promise a totally different course in the future. That he is, in many respects, entitled to great credit for the management of his department none will deny, but that the restoration to specie payment is mainly attributable to other influences than his

management I think is clearly to be seen. The short crops in Europe, the transfer from England to the United States of the manufacture of many of the articles of prime necessity, the confusion incident to such changed relations in England, the throwing out of employment of hundreds of thousands of manufacturers, the disastrous consequences to the tillers of the soil resulting from the low price of their agricultural products and the high rentals of the land they till; the vast expenses of Europe incidental to the recent wars, and the withdrawal from productive employment of the millions engaged in those wars, have combined to bring to us hundreds, I might say thousands, of millions within a few years which, together with the products of our mines, have done vastly more than all that Secretary Sherman has performed to bring about the desirable result. Speculations are sometimes indulged of what *might have been* if the administration had been heartily in favor of a bi-metallic currency, but such speculations are useless and might be illusory; let thoughts now be turned to what *may be* if the rights and interests of the people, instead of the interests of the money power, shall be adopted, and it will soon be manifest in what manner the interests and prosperity of the people are to be promoted. We already see indications of the result of a Bi-metallic currency in the awakened and improving business transactions of the country that give promise of what the future will be if fully secured and maintained.

I have alluded to the great increase in the production of gold and silver within the last few centuries, and whether it indicates the near approach of the period when "for brass will be bought gold, "and for iron, silver; and for wood, brass; and for stones, iron; "and when violence shall be no more heard in the land nor waiting "within thy borders," or not I leave for others to determine. By a recent article in an English paper, speaking of the destructive power of Mr. Krupp's lately built steel cannon, I notice that the idea is suggested that it will add so greatly to the ability of nations to destroy each other that it may lead to a different arbitrament than that now adopted for the settlement of monarchical controversies, and that possibly the time is approaching when nations "shall beat their swords into ploughshares, and their spears into pruning hooks; "nation shall not lift up sword against nation, neither shall they learn war any more." It appears to me that torpedo vessels will yet be so constructed as to give them great speed, and capacity to destroy the mightiest iron-clad ever launched upon the ocean, sweeping away in a moment these mighty leviathans and all that they contain; so that the weak nations of the earth may cope with the mightiest naval powers that now rule the waves—and if so another reason will appear why nations should not learn war any more.

But it appears to me there must be a great change in the moral sentiments and practices of the American people before we can be partakers in, or aid in producing an era so desirable and beneficent. The greed of wealth must be greatly modified, laws must not be administered to screen the guilty, nor judicial position sought and obtained by catering to communism, socialism, and other errors that European wrongs have begotten and caused the sufferers to flee

their fatherland that they may here enjoy what in their own country they were deprived off. All tramps, vagrants, and drones should be compelled to engage in some useful employment—if they would not work, neither should they eat. Unjust laws, if any exist, should be repealed; just laws should be rigidly enforced; official position obtained, not by being sought as means of acquiring wealth by robbing the people, but the people should elect honest men, capable and worthy to fill all places under our government where honesty and capacity is required. The frequent changes of our national rulers is, in my opinion, an evil that should be modified, and but one term allowed to any President; and officers occupying any official position should be appointed for a specific time and never deposed except for inefficiency or non-performance of duty.

I have heretofore spoken of the cost and extent of our railroads, not because the money was ill-spent, or the expenditure unnecessary, but simply to show the increased cost consequent upon the use of a fiat currency, or one based upon a fluctuating circulating medium. Railroads are to the nation what nerves are to the physical system, and our two large streams, with their branches, are like the arterial and venous parts of the same organization. In the future, when the entire northern portion of America shall become one great and mighty republic, because the mutual interests of all its parts will ultimately be promoted and advanced by such union, and because these same railroads and water-communications will conduce to the action and healthy exercise of the whole body, invigorating and strengthening to their utmost extremities, those parts that would otherwise be dormant or paralyzed. It is as necessary that the St. Lawrence should be used, throughout its entire length, as a common thoroughfare, during a great part of the year, for transporting the productions of the great West to their destined market, as that the Mississippi should in a like manner be used through another portion of the year, for the welfare of the same region, and it is equally necessary that both should be unitedly employed, as it is that both parts of the human frame should act in co-operation with each other to render it most efficient in the performance of the functions for which it was intended. Great fears were formerly entertained that railroad combinations would become so extensive, and charges so onerous and oppressive as to place the business interests of the nation wholly at the mercy of these soulless corporations, and until the decision that States can control and regulate the charges, overturned the vested-right view of the question, these views appeared well-founded, but now there is little dread that serious injury will result from their widely-extended construction, or combined influences to obtain extortionate charges.

The people and territory of Canada are so situated that there are the strongest reasons why both they and the United States should form one government. The ruling portion of each are from a common stock, and are swayed and controlled by similar motives and purposes. The people of the United States in the formation of their government, having experienced the evils of a monarchical rule, provided in the constitution against entailed estates and titled

nobility, by abolishing all rights of primogeniture and forever prohibiting titles of nobility; extending to all the people equal rights, and endowing them with that of a popular or national government. The English government was organized upon a wholly different principle. The elementary assemblage was the family, and the aggregation of families was the tribe, and the aggregation of the tribes constituted the nation; and English sentiments are mainly governed at present by the views originally entertained in the formation of their government. Under that of the United States every individual, with but a little effort, may become his own landlord; the owner of a freehold is his own employer, and can devote all his energies to the promotion of his own and his family's welfare. Not so in England. I do not propose to enter upon a history of the wrongs and sufferings entailed upon the peasantry of that country, but simply to state a few facts in regard to the landed estates of the United Kingdom. There are 525 dukes, marquises, earls, viscounts, and barons, who own 1,593 separate landed estates, comprising 15,303,163 acres, bringing an annual rental of \$62,445,340. The entire area of the whole country is 72,117,766 acres. The entire landed gentry is estimated to be about 7,000, though it may exceed that number, and they possess more than fifty-two millions out of seventy-two million acres comprising the kingdom. This comparatively insignificant number of 7,000 are in possession of the lands, not in their individual character but as representatives of families, thus showing how perfectly aristocratic the government of England has become, and how fully it exemplifies the fact that it is a government organized for the benefit of the "governors and not of the governed." I might follow out the evils resulting from a government established upon the principles that dominate in England, but it would require more space than I can occupy, and I leave it by only adding that nearly all the taxation falls upon the producing classes and not upon the landed gentry, and I have presented these facts to show that the people of Canada have little to bind them to the mother country or any of its institutions. It is a common observation by natives of Canada, who have taken up their homes in the United States, to say that their laws are better, and that they have greater liberty than the people of the United States. Allowing that the laws are better observed does that afford any argument against a union? As integral parts of the nation would they not, as States, enjoy all the liberties they now do? In all international questions they are subject to a national control in which they have no voice. As an integral part of the Union they would not be abridged of any right and they would have a voice on all questions of that character, equal at least to their relative population. The very fact, however, that they have left their native land to become citizens of the United States shows that they enjoy privileges here that were beyond their attainment in Canada, and is all the answer that should be given to those who advance these views, to show how groundless they are.

The territorial boundaries of Canada are stretched from Newfoundland to the Pacific, a distance of nearly four thousand miles. For the greater part of that distance they are continuous to those



of the United States, and in case separate governments exist would require a cordon of custom officers from one extreme to the other, at a great unnecessary expense. The entire population of Canada is now about four millions; giving Ontario nearly two millions, Quebec a little over one million, Halifax and New Brunswick about sixty thousand, and to British Columbia, Manitoba, and Northwest Territory in the vicinity of three hundred thousand, and is all embraced within a narrow strip, on an average not extending over two hundred miles in width. The interests of those lying east of Lake Superior are diverse and are wholly separated from those west of that body fully six months in a year, and can not be reached except passing through the almost impenetrable Hyperborean region lying north of that lake, or through the United States, subject to such restrictions as would naturally arise between nations possessing different interests, but not where the interests were united. The interests of those residing in Halifax and Newfoundland are so different from those bordering on the Pacific that they could not be drawn together by the iron ties that would ordinarily unite them. For six months in the year they would be congealed and lifeless and it would take a greater warmth than that northern clime can generate to weld them again; so that they would either be compelled to create a mart on the Pacific in their own territory or seek one already made in a neighboring one.

Perhaps the strongest reason why there should not be divided national interests bounded by the St. Lawrence is that neither nation would be willing to risk their manufacturing interests upon border territory. The Niagara River from the falls to Lewiston, if a canal was constructed on both sides, would supply power enough to propel, at a trifling expense, and in the most secure manner possible, all the manufactories necessary to fabricate the articles required by the world for centuries to come. The water falling 150 feet from a very small opening would turn a shaft extending back hundreds if not thousands of feet, and upwards and downwards in as many stories as it would be desirable to build or excavate—and at the same time supply power to put Edison's electric lamps in operation to light them; and if more water power should be required it could be found from the Gallop rapids just below Ogdensburgh, through the Long Sault and Coteau du Lac and Lachine to Montreal, a distance of some seventy miles, a large portion of the way affording water-power of great value and importance. The rapid advance, in the settlement of this portion of our country, that would result from the establishment of these manufactories is almost beyond estimate and it can never take place while two nations allow it to remain the boundary between them.

In regard to the future of England, it appears to me impossible that even her great wealth will enable her to retain for many years the position she now occupies; her vast provincial possessions are not bound to her by any ties of common interest, her manufacturing and agricultural population can not successfully prosecute their vocations, fettered as they are by landed interests, and foreign competition having superior advantages, and being the sole producers

of wealth and so circumscribed in ability that they can barely earn enough to keep starvation from their doors. The enormous national expenditures required to keep up their position as a ruling power in Europe will rapidly consume her great wealth and soon compel her to adopt a different form of government or sink to an insignificant power. If she would heed the voice of her Gladstones, her Arnolds, her Rogers and her Froudes, instead of Beaconsfield and his compeers, there might still be hope, but the pride and obstinacy of her ruling powers and her aristocracy will never yield until, as a nation, she has paid the penalty that Rome, Holland, Genoa, and others have brought upon themselves in past ages. I have not referred to the position occupied by Canada, and the propriety and benefit she would receive by becoming an integral part of the government of the United States, because it is necessary to the prosperity of our government; for instead of the St. Lawrence as an outlet for our commerce, the New York canals could be enlarged, either from Oswego or Whitehall, so that the St. Lawrence would not be an absolute necessity as a channel of commerce for the great West to reach the Atlantic. The construction of the Darien canal, when completed by American interests will tend to a union of Central America and Mexico with the United States, as soon as those portions of America are qualified to participate in the advantages of a rightly organized Republican government, and probably Cuba, St. Domingo, Hayti, Jamaica, Porto Rico and other islands of the Caribbean Sea will follow in due time. Whether the opening of the Suez Canal and the construction of the Darien will so affect the currents of the Oceans as to materially change the climate of Europe is yet to be seen, though some suppose the opening of the Suez has already affected it.

I am not so unwise as to suppose that what I have heretofore said on the monetary question will have any weight with that class who desire that capital should control labor, or that what I now express will in any respect change the action of that class of the American people; but I desire to place these thoughts before my countrymen for their calm and serious consideration, and if upon such reflection they shall deem them calculated to promote their prosperity and welfare, adopt them. In doing this I have only done what I deem that my duty to my country and my race demanded at my hands. If in any thing I have erred, that error has originated from a desire to benefit my race. I have not as fully elaborated the thoughts suggested as might have been done to render them more lucid, nor extended them to points that would probably have rendered them more convincing, but they have already occupied much more space than it was originally my purpose to extend them and I therefore bring them to a close.

I have shown or attempted to show, that gold and silver alone possess the requisites to constitute money, and that no other known commodity does; that both have in all ages, and among all civilized nations, been received and accepted as such; that there is not enough of either or both united to meet the wants and necessities of mankind in their commercial and financial relations; that both the

gold and silver, used as money, do not amount to enough to pay the interest on national, State, municipal and corporate indebtedness for only two years, and only for one year, if, as I believe, the views of English statisticians shall prove correct as to the amount, viz.: that \$4,000,000,000 is all the gold and silver used as currency in the world. I have likewise shown that *Fiat currency* is not such money as is "current among merchants" of all nations, but only among the merchants of the nation that issued it, and consequently is not money in any true sense of that term; that if its issue results in elevating prices of property beyond the coin value, then such estimated value is wholly illusory, and the increased value, to whatever amount it may extend, will be a loss to the people or nation of the same amount, whenever values are restored to their true estimate; I have also directed attention to the national changes that have been occurring through all past ages, and which will probably continue to occur while nations exist; and, to that which appears so near at hand in regard to the supremacy that England has so long maintained in the commercial and financial affairs of the world; which supremacy may, and probably will, pass into the hands of the American people. I have shown the vast and rapidly increasing indebtedness of the world and the great dangers that are threatening us as a necessary consequence, and that unless some means can be adopted to prevent an increase of the evil—the small creditor class will have the great debtor class as entirely at their mercy as the power of MIGHT over RIGHT has exercised during the past thousands of years. I have likewise shown that the issue of *Fiat currency*, of any kind, tends to produce fluctuations in values, alike injurious to all classes, except, perhaps, the gambling speculators, and that, if Mr. McCulloch's test of what constitutes money is true, it can not be accepted as money, for its tendency is the exact reverse of the fifth requisite that he asserts is necessary to constitute money; and I have also shown the means by which an unfluctuating currency can be secured, and the prosperity of the nation advanced, while it shall maintain that supremacy which it is apparently destined to enjoy.

Chicago, Sept. 15, 1879.

SAMUEL HOARD.

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TITLE**